BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF SHELLEY W. PADGETT

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2003-327-C

MARCH 12, 2004

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS ADDRESS.

A. My name is Shelley W. Padgett. I am employed by BellSouth as Manager – Regulatory and Policy Support in the Interconnection Services organization. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.

A. I graduated summa cum laude from Harding University in 1992, with a Bachelor of Arts degree in International Studies, and I did post-graduate work at The George Washington University. I began my career in market research at ALLTEL Telecommunications, Inc.,

but left to obtain a Master of Business Administration degree from Texas A&M University, graduating in 1998. After receiving my graduate degree, I began employment with BellSouth in the Interconnection Services organization. I have held various positions involving Negotiations and Product Management within the BellSouth Interconnection Services organization. I have held my present position since October 2001.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I identify the customer locations and interoffice transport routes in BellSouth's territory in South Carolina where the triggers for loop and transport facilities established by the FCC in its Triennial Review Order (TRO) have been satisfied, and where Competitive Local Exchange Providers (CLECs) are therefore not impaired without access to unbundled high-capacity loops or dedicated transport.

The first part of my testimony focuses on the facilities triggers for high-capacity loops. I describe the two triggers the FCC established, explain how they should be applied, and present evidence of where the triggers have been satisfied in BellSouth's territory in South Carolina. My testimony demonstrates that the triggers have been met for DS1 loops to 5 customer locations, for DS3 loops to 6 customer locations, and for dark-fiber loops to 6 customer locations. For these locations, which represent only a very small percentage of BellSouth's almost 10,000 total locations served by high-capacity loops in

South Carolina, the South Carolina Public Service Commission (“ the Commission”) should find that BellSouth is not required to continue offering unbundled loops at the capacity level for which the triggers have been satisfied.

The second part of my testimony focuses on the facilities triggers for dedicated transport. I describe the two triggers the FCC established, explain how they should be applied, and present evidence of where the triggers have been satisfied in BellSouth’s territory in South Carolina. My testimony demonstrates that the triggers have been met for DS1 dedicated transport on 11 interoffice routes, for DS3 dedicated transport on 11 interoffice routes, and for dark-fiber dedicated transport on 10 interoffice routes. For these routes, which represent only a small percentage of the approximately 1,800 total routes between BellSouth’s central offices in South Carolina, the Commission should find that BellSouth is not required to continue offering unbundled dedicated transport at the capacity level for which the triggers have been satisfied.

The third part of my testimony briefly discusses the transition to a market rate environment when the Commission finds that no impairment exists along a particular route or to a specific customer location.

Q. WHAT IS THE IMPACT OF THE D.C. CIRCUIT COURT OF APPEALS ORDER ON THE TRO IN THIS PROCEEDING?

A. Currently the impact of the DC Circuit Court's opinion is unclear. At the time of filing this testimony, the DC Court had vacated large portions of the rules promulgated as a result of the TRO, but stayed the effective date of the opinion for at least sixty days. Therefore my understanding is that the TRO remains intact, but its content, and the rules adopted thereto, must be suspect in light of the court's harsh condemnation of large portions of the order. This condemnation included specific criticisms of the route specific transport analysis. At this time, I will reserve judgment, and the right to supplement my testimony as circumstances dictate, with regard to the ultimate impact of the DC Court's order on this case.

II. HIGH-CAPACITY LOOPS

Q. WHAT TYPES OF LOOPS DO YOU ADDRESS IN YOUR TESTIMONY?

A. I discuss DS1, DS3, and dark fiber loops. These loops are described and defined in BellSouth witness Wayne Gray's testimony.

Q. PLEASE DESCRIBE THE TRIGGERS THAT THE FCC ESTABLISHED TO IDENTIFY CUSTOMER LOCATIONS FOR WHICH COMPETING CARRIERS ARE NOT IMPAIRED WITHOUT ACCESS TO UNBUNDLED LOOPS FROM THE ILEC.

A. There are two triggers set forth in the FCC's TRO – the "self-provisioning trigger" (which applies to DS3 and dark-fiber loops) and the "competitive wholesale facilities" trigger (which applies to DS1 and DS3 loops). If, for a given loop capacity, any applicable trigger is met for a particular customer location, this Commission must find that BellSouth is no longer required to offer unbundled loops at that capacity to the location.

Both triggers are simple, "bright line" tests that require this Commission to count the number of competitors providing loops to a given location. To meet the self-provisioning trigger for DS3 or dark-fiber loops, there must be "two or more competing providers not affiliated with each other or with the incumbent LEC, including intermodal providers of service comparable in quality" that have self-deployed facilities to a particular location (§51.319(a)(4)(ii)(B) and §51.319(a)(5)(i)(B)). To meet the competitive wholesale facilities trigger for DS1 or DS3 loops, there must be "two or more competing providers not affiliated with each other or with the incumbent LEC, including intermodal providers of service comparable in quality" that have deployed facilities to a particular location and that are offering a loop on a widely available wholesale basis to other carriers seeking to serve customers at the location. (§51.319(a)(4)(ii) and §51.319(a)(5)(i)(B)).

Carriers may attempt to add imaginary requirements to those outlined in the TRO in order to make the triggers more difficult to meet (e.g., claiming capacity limits or the need for additional electronics before facilities can qualify for the triggers). However, the rules

are quite clear as to the requirements for meeting the triggers, the TRO does not allow room for additional criteria to be added, and this Commission should resist any call to do so.

Q. DOES A LOOP HAVE TO TERMINATE AT AN ILEC CENTRAL OFFICE TO COUNT TOWARD THE TRIGGERS?

A. No. If the provider of the loop facility is the ILEC, as it is the case for UNEs, the central office would, of course, be the ILEC central office. However, in the context of the triggers for high-capacity loops, the loops in question are alternative loops provided by CLECs. The objective of the self-provisioning triggers is to identify if "two or more competitive LECs have self-provisioned loop transmission facilities, either intermodal or intramodal facilities, to a particular customer location" and are "serving customers at that location at the relevant loop capacity level." (TRO, 332). Clearly, whether the other side of the loop goes to an ILEC central office or some other point in the CLEC's network is completely immaterial to the showing of a CLEC's ability to serve customers in that location over their own loop facilities, and it is therefore irrelevant for purposes of meeting the trigger. The discovery responses of numerous carriers included lists of "self-provisioned loops" that do not terminate at a BellSouth central office, demonstrating that carriers agree that for purposes of the trigger analysis, the "owner" of the central office is irrelevant.

The FCC did not differentiate its use of the term "loop" in the context of the wholesale trigger from its use in the self-provisioning trigger. The TRO describes both tests using the same language without any distinction between what qualifies as a loop for each of the triggers and without adding any extra condition to the wholesale trigger specifying that loops have to terminate at an ILEC central office. In Paragraph 329 of the TRO, the FCC says that "incumbent LEC unbundling obligation[s] can be eliminated …where two or more unaffiliated competitive providers have deployed transmission facilities to the location and are offering alternative loop facilities to competitive LECs on a wholesale basis at the same capacity level (Competitive Wholesale Facilities Trigger)." (Emphasis added) The important point is that both triggers demonstrate that CLECs can provide service to customers at a location using alternative facilities.

Q. SHOULD A FACILITY QUALIFY FOR THE SELF-PROVISIONING TRIGGER IF THE CLEC DOES NOT HAVE ACCESS TO THE ENTIRE CUSTOMER LOCATION?

A. Yes. The requirement that each "competing provider has access to the entire customer location, including each individual unit within that location" (47 C.F.R. §§ 51.319(a)(4)(ii)(B), (a)(5)(i)(B)(2)) applies only to the wholesale triggers for DS1 and DS3 loops. No such requirement exists for any of the self-provisioning triggers for high-capacity loops. (See 47 C.F.R. § 51.319(a)(5)(i)(A), (6)(i))

Q. DID BELLSOUTH CONDUCT A CAPACITY-SPECIFIC ANALYSIS?

A. Yes. BellSouth examined the evidence provided through discovery to determine what types of facilities a carrier has provisioned to a specific customer location. If the carrier indicated that it had provisioned only DS1 capacity, the facility was counted toward the DS1 Wholesale Trigger only. If the carrier indicated that it had a DS3 or higher loop or dark fiber in place, or if we use data from GeoLIT™ Plus Report indicating fiber-based facilities, it can be inferred that the carrier is capable of providing any capacity service. As BellSouth witness Mr. Wayne Gray discusses in his testimony, carriers typically deploy fiber-optic facilities that can operate at a range of capacities determined by the electronics attached to them. For example, when laying fiber it makes sense to deploy high-capacity OCn facilities so that there will always be enough bandwidth to handle the traffic on a given loop. The carrier then attaches electronics to subdivide (or "channelize") the available capacity, activating the amount of capacity and number of channels needed along the loop. Indeed, this channelization is extremely common given that the vast majority of retail loops sold are at the DS3 level or below – indeed, according to the market research firm IDC, more than 99% of dedicated enterprise loops, excluding switched voice lines, are provided at DS3 or lower capacity.

Q. SHOULD AN OCn FACILITY QUALIFY FOR THE DS3 AND DS1 WHOLESALE TRIGGERS?

A. Yes, as long as the competitive carrier offers DS1 and DS3 loop facilities to other carriers on a wholesale basis, the capacity of the underlying facility is irrelevant. As explained by Mr. Gray, a carrier with channelized OCn facilities is operationally ready to provide DS1 or DS3 facilities and its network can support the sale of DS1 and DS3 loops, so whether the carrier wholesales depends only on its choice of commercial strategy.

Q. REGARDING THE DARK FIBER TRIGGERS, DOES THE TRO REQUIRE THE COMPETITIVE CARRIER TO HAVE AVAILABLE UNLIT FIBER STRANDS IN ITS LOOP FACILITY?

A. No. The dark fiber trigger is a self-provisioning trigger and therefore it does not require the provisioning carrier to have additional dark fiber strands (i.e., fiber strands that have not been lit by attaching transmission electronics) to potentially sell to other carriers. The Rule is clear that as long as a competitive carrier deployed a fiber loop to a customer location, it should qualify for the dark fiber trigger at that customer location. Specifically, the FCC's rules require that "two or more competing providers (…) have deployed their own dark fiber facilities at that specific customer location." (47 C.F.R. § 51.319(a)(6)(i), emphasis added).

Q. WHAT EVIDENCE DID YOU USE TO IDENTIFY THE CUSTOMER LOCATIONS WHERE COMPETITIVE CARRIERS HAVE DEPLOYED LOOP FACILITIES THAT

QUALIFY FOR THE SELF-PROVISIONING TRIGGERS ON DS3 AND DARK FIBER LOOPS?

A. I used two data sources to identify customer locations where competitive carriers have deployed loop facilities that qualify for the self-provisioning triggers.

First and foremost, I used carriers' discovery responses describing the locations they serve with high-capacity loop facilities. I aggregated these responses by building, counting facilities where carriers confirmed that they have deployed fiber towards the self-provisioning trigger for dark fiber loops, and facilities where carriers confirmed transmission capacities of DS3 or OCn towards the self-provisioning trigger for DS3 loops. (For the reasons explained above, many carriers' responses indicated OCn facilities even though carriers rarely sell OCn loops to end users.)

Additionally, BellSouth purchased data from GeoResults, Inc., an independent consulting firm specializing in national business and residential databases, customized database marketing and geo-mapping services, business level telecom bandwidth, demand and spend estimates, a comprehensive set of telecom competitive intelligence reports, proprietary wire center boundary products and spatial analysis tools and services.

GeoResults provided its GeoLIT™ Plus Report, listing buildings that contain fiber-based equipment together with the names of the carriers that own the equipment. The

GeoLIT™ Plus Report was further refined to exclude instances where a carrier obtained the loop facility from another carrier (including BellSouth) on a wholesale basis, leaving only those buildings where the carrier has deployed its own fiber loop facility capable of providing DS3 and dark fiber loops. To the extent that the carrier did not provide inconsistent information through discovery, BellSouth relied on information from the GeoLIT™ Plus Report to determine where a carrier has deployed loops. Exhibit SWP-13 lists these carriers.

Q. WHY DO YOU BELIEVE THE GEOLIT™ PLUS REPORT IS A RELIABLE SOURCE OF DATA TO USE IN THE TRIGGERS' ANALYSIS?

A. First let me reiterate that BellSouth is using the GeoResults data only to supplement the information we have obtained from carriers through discovery.

The GeoLIT™ Plus Report is a summary of building locations that have been identified as being served by a fiber facility and lists carriers providing fiber-based services in those buildings. The report is based on the CLONES (Central Location Online Entry System) database from Telecordia, to which carriers self-report records of their equipment as it is deployed. This database is widely used in the industry to create, update, and maintain Common Language Location (CLLI) Codes to uniquely identify geographic places and certain types of equipment. GeoResults uses proprietary analysis methodologies and data

compilation techniques to determine, from CLONES, which pieces of equipment are fiber-based.

I also note that the GeoLIT™ Plus Report is conservative, because it is does not identify all instances where competitive carriers have deployed fiber-base loop facilities: GeoResults uses a conservative algorithm to identify fiber-based loop facilities, which only identifies facilities as "lit" when it is absolutely clear from the description field in CLONES that the equipment is fiber-based – when in doubt, the facility is not identified as "lit." Moreover, since creating records in CLONES is voluntary, there are not infrequent situations where a competitive carrier deploys a loop facility to a customer location, but fails to create a CLONES record for the facility. Facilities with no records in CLONES are obviously not captured in the GeoLIT™ Plus Report from GeoResults.

Q. WHICH FACILITIES COULD QUALIFY FOR THE "COMPETITIVE WHOLESALE FACILITIES" TRIGGER FOR DS1 AND DS3 LOOPS?

A. Any facility that qualifies for the self-provisioning trigger could potentially meet the wholesale facilities trigger also – the only question is whether the provisioning carrier chooses to offer loops on it to other carriers on a wholesale basis. Further, because any carrier with an OCn or DS3 facility is operationally able to provide a DS1 loop, as described by Mr. Gray, the same set of qualifying facilities should be used for DS1 and DS3 loops.

Q. HAVE YOU IDENTIFIED CARRIERS THAT USE THEIR FACILITIES TO OFFER LOOPS ON A WHOLESALE BASIS? IF SO, HOW?

A. Yes. Although I believe it would be rational for any carrier with its own facilities to wholesale, to be conservative I only identified as a "wholesaler" a carrier for which there is actual evidence that it has entered into wholesale deals or that it actively promotes wholesale service. This evidence was compiled from a number of sources:

- Carriers' discovery responses, indicating the offer or purchase of wholesale loops and/or transport
- BellSouth's experience in losing wholesale contracts to another carrier
- A carrier's own advertisements offering wholesale services
- A carrier's public statements and filings indicating willingness to wholesale or revenues from wholesaling
- Analyst and industry reports identifying carriers as wholesalers

A list of carriers that offer wholesale facilities based on these sources is included as Exhibit SWP-1. Excerpts from the advertisements, public statements, and industry reports regarding these carriers' wholesaling activities are included in Exhibit SWP-11.

Some carriers have supplied discovery responses indicating that they do not wholesale loops. However, given the misinterpretation of "loop" as having to terminate at an ILEC central office in order to qualify for the wholesale trigger (explicitly claimed by KMC,

AT&T, and Xspedius in filings in Florida), BellSouth used other indications of a carrier's willingness to wholesale loops in these cases. In the absence of responses to discovery that comply with the triggers used by the FCC, we used other evidence (which is presented in summary form in Exhibit SWP-11) to infer that the carrier offers wholesale loops.

It is important to note that for a competitive provider to qualify for the wholesale trigger, it does not have to be *currently selling* wholesale services – the Order is clear that the competitive provider only has to be *willing* to provide wholesale service (TRO ¶329). That is, even if it does not currently have a wholesale customer, it would still qualify as long as it is willing to provide wholesale service. Given that, the analysis to determine which competitive carriers offer facilities on a wholesale basis can be conducted by carrier, rather than by customer location, because the decision about whether a carrier is willing to wholesale is one of business model, and so it is made at the company level rather than on a location-by-location basis. In other words, if a carrier is willing to wholesale high-capacity loops at a given customer location, it is also likely to be willing to wholesale high-capacity loops at all other customer locations where it has deployed its own loop facilities. I don't know of any reason to believe that this is not the case and nothing that we learned through discovery suggests otherwise.

Q. DOES BELLSOUTH PROVIDE LOCATION-SPECIFIC EVIDENCE THAT THE WHOLESALE TRIGGER HAS BEEN MET?

A. Yes. BellSouth does in fact provide location-specific evidence that the wholesale trigger, as described by the FCC in the TRO, is met. Wherever relief is claimed, granular evidence is presented that at least two competitive carriers who are willing to offer wholesale service are present at each customer location at the specific capacity level.

A carrier only counts towards the trigger at a given customer location if it has deployed its own facilities to that specific location *and* is a wholesaler. BellSouth uses data from discovery and the GeoLIT™ Plus Report to obtain granular evidence that carriers have deployed their own facilities on a location-by-location basis. Carriers are classified as wholesalers at the carrier level based on the evidence from discovery and other that indicate a carrier's willingness to wholesale. This evidence is presented in summary form in Exhibit SWP-11.

The classification of a carrier as a wholesaler is made at the carrier level since the willingness to sell wholesale to other carriers is part of each carrier's commercial strategy rather than a decision that is made at a granular level for each route and customer location. The wholesale trigger defined by the FCC in the TRO is consistent with this standard since it does not require the carrier to currently provide wholesale service in the customer location, but only that it is willing to offer access to its loop facilities on a wholesale basis (e.g., see TRO 337). Further, as explained earlier, it would create

internal and external problems for a wholesaler to selectively refuse to provide wholesale service on part of its facilities.

All the evidence that BellSouth collected, including advertisements, public statements and industry reports, support the conclusion that carriers willing to sell their own facilities on a wholesale basis do not selectively refuse to provide wholesale service on part of their transport and loop facilities. Any criterion that required evidence of willingness to wholesale at the route or customer location level would be impossible to meet – carriers do not advertise wholesale service on a location-by-location basis, but rather indicate general willingness to do so.

Q. HAVE YOU IDENTIFIED LOCATIONS THAT MEET THE DS1 WHOLESALE FACILITIES TRIGGER? IF SO, PLEASE IDENTIFY THOSE LOCATIONS.

A. Yes. The customer locations that satisfy the wholesale trigger for DS1 loops are listed in Exhibit SWP-2. Exhibits SWP-1 and SWP-3 provide supporting evidence used in the analysis. Exhibit SWP-3 shows, by location, the carriers with high-capacity loops deployed in South Carolina and the capacities the carrier is capable of providing to that location. As previously discussed, Exhibit SWP-1 lists carriers that are willing to offer services on a wholesale basis.

Q. HAVE YOU IDENTIFIED LOCATIONS THAT MEET THE DS3 SELF-PROVISIONING TRIGGER? IF SO, PLEASE IDENTIFY THOSE LOCATIONS.

A. Yes. The customer locations that satisfy the self-deployment trigger for DS3 loops are listed in Exhibit SWP-4. Exhibit SWP-3 provides supporting evidence used in the analysis, as described above.

Q. HAVE YOU IDENTIFIED LOCATIONS THAT MEET THE DS3 WHOLESALE FACILITIES TRIGGER? IF SO, PLEASE IDENTIFY THOSE LOCATIONS.

A. Yes. The customer locations that satisfy the wholesale trigger for DS3 loops are also listed in Exhibit SWP-4. Exhibits SWP-1 and SWP-3 provide supporting evidence used in the analysis, as described above.

Q. HAVE YOU IDENTIFIED LOCATIONS THAT MEET THE DARK FIBER SELF-DEPLOYMENT TRIGGER? IF SO, PLEASE IDENTIFY THOSE LOCATIONS.

A. Yes. The customer locations that satisfy the self-deployment trigger for dark fiber loops are listed in Exhibit SWP-5. Exhibit SWP-3 provides supporting evidence used in the analysis, as described above.

III. HIGH-CAPACITY TRANSPORT

Q. PLEASE DESCRIBE THE TRIGGERS THAT THE FCC ESTABLISHED TO IDENTIFY ROUTES FOR WHICH COMPETING CARRIERS ARE NOT IMPAIRED WITHOUT ACCESS TO UNBUNDLED DEDICATED INTEROFFICE TRANSPORT FACILITIES.

A. There are two triggers set forth in the TRO – the "self-provisioning trigger" (which applies to DS3 and dark-fiber transport) and the "competitive wholesale facilities" trigger (which applies to DS1, DS3, and dark-fiber transport). If, for a given transport capacity, any applicable trigger is met on a particular route, the Commission must find that BellSouth is no longer required to offer unbundled dedicated transport at that capacity on the route.

Both triggers are simple, "bright line" tests that require the Commission to count the number of competitors on a given route. To meet the self-provisioning trigger for DS3 or dark-fiber transport, there must be "three or more competing providers not affiliated with each other or with the incumbent LEC, including intermodal providers of service comparable in quality" that have self-deployed fiber transport facilities along a particular route and that are operationally ready to use those facilities to provide transport along that route. (47 C.F.R. §§ 51.319(e)(2)(i)(A) and (e)(3)(i)(A)). To meet the competitive wholesale facilities trigger for DS1, DS3, or dark-fiber transport, there must be "two or more competing providers not affiliated with each other or with the incumbent LEC,

including intermodal providers of service comparable in quality" that are operationally ready and willing to offer wholesale transport of a given capacity along a particular route. (47 C.F.R. §§51.319(e)(1)(ii), (e)(2)(i)(B) and (e)(3)(i)(B)).

Carriers may attempt to add criteria to those outlined in the TRO in an attempt to make the triggers more difficult to meet. However, as I mentioned previously with regard to the loop triggers, the rules are quite clear as to the requirements for meeting the triggers, and the FCC did not allow room for additional requirements. This Commission should not allow carriers to divert attention from identifying where the triggers have been met by attempting to add imaginary requirements.

Q. WHAT IS A "ROUTE," AS THE TERM IS USED IN THE FCC'S TRIGGERS?

A. A route is defined in the FCC's rules as "a transmission path between one of an incumbent LEC's wire centers or switches and another of the incumbent LEC's wire centers or switches" within a LATA. Furthermore "a route between two points (*e.g.*, wire center or switch "A" and wire center or switch "Z") may pass through one or more intermediate wire centers or switches (*e.g.*, wire center or switch "X"). Transmission paths between identical end points (*e.g.*, wire center or switch "A" and wire center or switch "Z") are the same 'route,' irrespective of whether they pass through the same intermediate wire centers or switches, if any." (47 C.F.R. §51.319(e)).

Q. HOW MIGHT THE DEFINITION OF "ROUTE" BE MISREPRESENTED?

A. Some CLECs have claimed in discovery that a carrier must provide service directly connecting the two central offices at each end of the route in order for its transport facilities to count towards the transport triggers on that route. They also state that to support a trigger claim, the ILEC must produce evidence that the CLEC self-provisions transport service between the two ILEC wire centers and that each collocation arrangement in question is being used as an endpoint for a transport route.

These carriers say that most CLEC networks follow a hub and spoke architecture and are constructed such that collocation arrangements are used as a traffic aggregation point that can only backhaul traffic to the CLEC's switch. They apparently believe that even if a CLEC can indirectly send traffic between two ILEC central offices, this CLEC does not count toward the triggers test for that route. However, as the FCC has explained, passing through an intermediate wire center or an intermediate switch – ILEC or CLEC – does not prevent the connection of two central offices to form a route. Rule 319(e) clearly includes "transmission paths between identical points…irrespective of whether they pass through the same intermediate wire centers or switches" in the definition of a route. This misuse of the term "route", then, clearly is not in agreement with the rules set forth by the FCC.

Q. HOW WOULD THIS INTERPRETATION OF A "ROUTE" SUBVERT THE FCC'S OBJECTIVE IN CREATING THE TRANSPORT TRIGGERS?

A. The FCC found, in the course of its Triennial Review proceeding, that competitive facilities are available and designed the triggers to identify where competitive facilities are already available. Paragraph 360 of the TRO states, "The record …indicates… that competitive DS1, DS3, and dark fiber transport facilities are available on a wholesale basis in some areas, and that competing carriers have deployed their own transport networks in some areas. Because the record is not sufficiently detailed concerning exactly where these facilities have been deployed, and because the nature of transport facilities requires a highly granular impairment analysis, we establish specific triggers for states to apply in conducting such an analysis." However, contrary to this finding, AT&T and MCI, the two largest CLECs in the country, claim they have no facilities in any of BellSouth's nine states that would qualify under either transport trigger. This is because AT&T and MCI use their own definition of a "route" to justify such claims. It defies logic to claim that the FCC would have set up triggers specifically to identify where carriers have deployed alternative facilities and then define the trigger such that the two largest CLECs in the country, which acquired large CAPs (Competitive Access Providers) (that existed to provide alternative transport in the first place), wouldn't have any facilities that would qualify.

Q: IS THERE OTHER EVIDENCE THAT YOU ARE AWARE OF THAT ILLUSTRATES CLECs ARE MORE INTERESTED IN HIDING BEHIND DEFINITIONS, THAN IN PRESENTING ACCURATE FACTS TO THIS COMMISSION?

A. Yes. In responses to discovery in Docket No. 030850-TP in Florida as well as in several other states, MCI admitted that *** BEGIN CONFIDENTIAL *** [redacted] *** END CONFIDENTIAL *** After admitting this, in testimony before the Florida Public Service Commission, MCI's witness claimed that it did not provide dedicated transport. (See generally Rebuttal Testimony of Lonnie Hardin, p. 7).

Q. GIVEN THE TRO'S REDEFINITION OF "DEDICATED TRANSPORT", CAN A TRANSPORT "ROUTE" FOR PURPOSES OF THE TRIGGERS ANALYSIS INCLUDE INDIRECT ROUTES THROUGH A SWITCH?

A. Yes. Counting indirect routes between ILEC wire centers for the purpose of meeting the dedicated transport triggers is perfectly consistent with the new definition of dedicated transport. The FCC says in Paragraph 366 of the TRO that "…the more reasonable approach…is to not consider those facilities outside of the incumbent LEC's local network as part of the dedicated transport network element that is subject to unbundling….Therefore, we find that the dedicated transport network element includes

only those …facilities that coincide with the incumbent LEC's transport network – the transmission links connecting incumbent LEC switches or wire centers." However, inclusion or exclusion of facilities connecting an ILEC central office and a CLEC switch (i.e., entrance facilities) from the *unbundling* obligation has no bearing on whether or not that "link" is part of the larger "route" connecting ILEC wire centers. In fact, as I will demonstrate, the only purpose of a CLEC deploying more than one entrance facility per LATA is to bypass the ILEC interoffice network and to create an alternative to buying dedicated transport from the ILEC. Therefore it is only logical to count these facilities towards the transport triggers.

To understand how entrance facilities provide an alternative to dedicated transport provided by the ILEC, see, for example, the case in Exhibit SWP-15, Situation A where a CLEC has only one stand-alone entrance facility from its Point of Presence (POP) to ILEC Central Office (CO) 1 and also needs transmission links to CO2, CO3 and CO4 in order to carry traffic from its end users served from these COs. In a typical CLEC hub and spoke architecture, the CLEC purchases dedicated transport from the ILEC between CO1, where it has its stand-alone entrance facility to its POP, and all the other ILEC COs it needs to reach.

Now, consider the situation presented in Exhibit SWP-15, Situation B where the same CLEC deploys two additional entrance facilities from its POP to CO2 and CO3. The deployment of these entrance facilities allows the CLEC to bypass the ILEC interoffice

network and provides the CLEC with a real alternative to purchasing dedicated transport between ILEC COs (in fact, this is the only purpose of deploying these facilities). In this example, by using the entrance facilities as segments of interoffice routes, the CLEC would have alternative transmission facilities on routes CO1-CO2, CO1-CO3 and CO2-CO3, but would still purchase dedicated transport between CO1 and CO4. No one is arguing that the stand-alone CO to POP facilities should be counted as routes; however, it is obvious that in this scenario "carriers have the ability to use alternatives to the incumbent LEC's network" (TRO, 360) and therefore must be counted towards the transport triggers.

Q. IS IT REASONABLE TO INFER THAT A CARRIER HAS A "ROUTE" BETWEEN ANY PAIR OF INCUMBENT LEC WIRE CENTERS IN THE SAME LATA WHERE IT HAS OPERATIONAL COLLOCATION ARRANGEMENTS?

A. Yes. CLEC's are clearly operationally ready to provide transport when they have fiber-based collocation arrangements at both ILEC central offices. Establishing a connection between two operationally ready collocations via a switch or hub typically requires only a software-based configuration of a circuit. Thus, even if a CLEC does not typically use its interoffice facilities to provide transport between ILEC central offices, this fact is irrelevant for the transport triggers since they are operationally ready to do so.

Moreover, as explained in Mr. Gray's testimony, it is logical and reasonable to assume that a carrier's network within a LATA is fully interconnected. MCI, in direct contradiction of its assertions in Florida that it has no facilities that qualify as a route under the triggers, admitted in its response to BellSouth's discovery requests in several states regarding self-provisioned transport facilities between BellSouth central offices that it could connect any "on-net" collocation to any other collocation. Specifically, MCI's response states, "MCI has provided BellSouth with a list of its 'on-net' collocations. This list identifies the BellSouth wire center buildings that are physically on the network owned by MCI. Once traffic is delivered to MCI at any of its on-net collocation sites it can be delivered to any other MCI on-net collocation locations without leaving MCI's network." (See Discovery Responses of MCI in Georgia Dkt. No. 17741-U, filed December 29, 2003; Kentucky Case No. 2003-00379, filed December 15, 2003; Louisiana Dkt. No. U-27572 filed December 8, 2003; Mississippi Dkt. No. 2003-AD-714, filed in December 2003; and North Carolina Dkt. No. P-100, sub 133s, filed December 15, 2003, and February 13, 2004.)

Q. DOES THE FACT THAT CLECS TYPICALLY DO NOT USE THEIR FACILITIES TO CONNECT TWO ILEC CENTRAL OFFICES EXPLAIN WHY THE TRO USES THE TERM "OPERATIONALLY READY" IN THE SELF-PROVISIONING TRIGGER FOR TRANSPORT?

A. Yes. Unlike for loops, where the FCC requires that "each competing provider has (…) deployed its own DS3 facilities at that specific customer location and is serving customers via those facilities at that location," (47 C.F.R. § 51.319(a)(5)(i)(A), emphasis added), the self-provisioning trigger for transport only requires that "the competing provider has deployed its own transport facilities and is operationally ready to use those transport facilities to provide dedicated DS3 transport along the particular route." (47 C.F.R. § 51.319(e)(2)(i)(A), emphasis added). Realizing that in most cases CLECs do not use their transport facilities to provide transport between ILEC central offices, the FCC does not require that the CLEC currently provides transport on each specific route, but only that it is operationally ready to do so.

Q. IF A CARRIER HAS AN OCn TRANSPORT FACILITY TO A COLLOCATION ARRANGEMENT IN AN ILEC WIRE CENTER, DOES IT MEET THE "OPERATIONALLY READY" CONDITION IN THE DS1 and DS3 TRIGGERS?

A. Yes. The FCC's rules say that to count toward the trigger, the competing provider should have "deployed its own transport facilities and [be] operationally ready to use those transport facilities to provide dedicated DS3 transport along the particular route." (47 C.F.R. §51.319(e)(2)(i)(1)). In reality, as explained in Mr. Gray's testimony, carriers typically deploy fiber-optic facilities that can operate at a range of capacities determined by the electronics attached to them. For example, when laying fiber it makes sense to deploy high-capacity, OCn facilities so that there will be enough bandwidth to handle all

traffic on a given route and leave room for growth. The carrier can then attach electronics to subdivide (or "channelize") the available capacity, activating the amount of capacity and number of channels needed along the route. As Mr. Gray explains, the electronics used to do this channelization of OCn facilities into DS1 or DS3 facilities are relatively inexpensive, are widely available, and can be quickly installed whenever the carrier has demand for DS3 transport facilities. The fact that the capacity of the facility itself is at the OCn level is therefore independent of the carrier's ability to provide a dedicated DS1 or DS3 transport route over that facility.

Q. DID BELLSOUTH CONDUCT A CAPACITY-SPECIFIC ANALYSIS?

A. Yes. BellSouth examined the evidence provided through discovery to determine what types of facilities a carrier has provisioned on a specific route. If the carrier indicated that it had provisioned only DS1 capacity, the facility was counted toward the DS1 Wholesale Trigger only. If the carrier indicated that it had a DS3 or higher facility or dark fiber in place, or if we used BellSouth data indicating a fiber-based collocation, it can be inferred that the carrier is capable of providing any capacity service, as explained above.

Q. SHOULD AN OCn FACILITY QUALIFY FOR THE DS3 AND DS1 WHOLESALE TRIGGERS?

A. Yes, as long as the competitive carrier offers DS1 and DS3 transport to other carriers on a wholesale basis, the capacity of the underlying facility is irrelevant. As explained above, a carrier with channelized OCn facilities is operationally ready to provide DS1 or DS3 facilities – its network can support the sale of DS1 and DS3, so whether the carrier wholesales or not depends only on its commercial strategy.

Q. REGARDING THE DARK FIBER SELF-PROVISIONING TRIGGER, DOES THE TRO REQUIRE THE COMPETITIVE CARRIER TO HAVE AVAILABLE UNLIT FIBER STRANDS IN ITS COLLOCATION ARRANGEMENT?

A. No. This requirement in the TRO applies only for the wholesale trigger, which requires the competitive provider be ready to provide dark fiber facilities to other carriers. For the self-provisioning trigger, the TRO is clear that as long as a competitive carrier deployed fiber transmission facilities to a collocation arrangement, it should qualify for the dark fiber trigger in that wire center (TRO ¶408). Specifically, the FCC's rules require that "the competing provider <u>has deployed its own dark fiber facilities</u>, which may include dark fiber facilities that it has obtained on a long-term, indefeasible-right of use basis." (47 C.F.R. § 51.319(e)(3)(i)(A)(1), emphasis added). There is no condition on the existence of extra dark fiber strands that have not yet been lit. In fact, since the use of dark fiber for a carrier's own operations (in contrast to wholesale) requires the carrier to light the fiber, it would not be logical to assume that the self-provisioning trigger would require the presence of unused facilities in order to be met.

Q. HOW DID YOU IDENTIFY ROUTES WHERE COMPETITIVE CARRIERS HAVE DEPLOYED FACILITIES THAT QUALIFY FOR THE SELF-PROVISIONING TRIGGER FOR DS3 AND DARK FIBER ROUTES?

A. I initially hoped to rely primarily on discovery responses from competitive carriers. Unfortunately, to date, BellSouth has received far fewer responses than expected, so we have been forced to rely heavily on our own billing and operations data regarding collocation arrangements and fiber entrance facilities. Using discovery and these internal data, a list of fiber-based collocations for each competitive carrier was created and used to generate all the potential transport routes for a given carrier using the assumption that competitive carriers can route traffic between any pair of fiber-based collocation arrangements in a LATA. Furthermore, if a carrier has a collocation arrangement in a BellSouth wire center and it has pulled its own fiber to the collocation, it is reasonable to assume that it should qualify for the self-provisioning trigger for both dark fiber and DS3 dedicated transport (due to the channelization I described above).

It should be noted that some CLECs responded to BellSouth's discovery requests by stating that they did not have transport facilities. However, as explained above, these carriers rely on a misinterpretation of "route" in order to make this claim. In the absence of responses to discovery that comply with the definitions used by the FCC, BellSouth has used its own data. These instances are noted in Exhibit SWP-14.

Q. WHICH FACILITIES COULD QUALIFY FOR THE "COMPETITIVE WHOLESALE FACILITIES" TRIGGER FOR DS1, DS3 AND DARK FIBER TRANSPORT?

A. Any route that qualifies for the self-provisioning trigger could meet the wholesale facilities trigger also – the only question is whether the competitive carrier chooses to offer transport on it to other carriers on a wholesale basis. Further, because any carrier with an OCn or DS3 facility is operationally able to provide DS1 transport, I made the same inference concerning qualifying facilities for DS1 transport as for DS3 transport. Additional DS3 and DS1 facilities that qualify for wholesale are included only if we learned through discovery of facilities that meet the conditions of the wholesale triggers but not the self-provisioning triggers (i.e., the carrier does not own the underlying fiber used in the transport facility).

Finally, for dark fiber the wholesale trigger requires the competitive provider to have unused dark fiber to sell to other carriers and that requesting carriers are able to obtain reasonable and nondiscriminatory access to the competing providers' termination points through a cross-connect to the providers' collocations. (§51.319(e)(3)(i)(B)). For the reasons explained by Mr. Gray, it is logical to assume that interoffice facilities have spare fiber strands. Furthermore, our billing records indicate that most CLECs that pulled fiber into BellSouth's wire centers requested 2 cables of 12-24 strands each, leaving plenty of spare strands to wholesale. In short, unless we learn through discovery that carriers do not

have extra dark fiber, it is reasonable to assume that any dark fiber facility that meets the self-provisioning trigger may count toward the wholesale trigger also, if the provisioning CLEC chooses to wholesale them.

Q. HAVE YOU IDENTIFIED CARRIERS THAT USE THEIR FACILITIES TO OFFER DEDICATED TRANSPORT ON A WHOLESALE BASIS? IF SO, HOW?

A. Yes. A list of carriers that offer wholesale facilities is included as Exhibit SWP-6 (see my loop testimony above for a description of how this list was compiled). Excerpts from the advertisements, public statements, and industry reports regarding these carriers' wholesaling activities are included in Exhibit SWP-12.

As I explained for high-capacity loops, it is important to note that for a competitive provider to qualify for the wholesale trigger, it does not have to be *currently selling* wholesale services – the Order is clear that the competitive provider only has to be *willing* to provide wholesale service (TRO ¶ 412).

Although, as previously discussed, some carriers have supplied discovery responses indicating that they do not provide wholesale transport in light of CLECs misinterpretation of "route", BellSouth relied upon evidence other than self-serving discovery responses to conclude a carrier provides wholesale transport. Exhibit SWP-14 lists these carriers. The evidence that I relied upon is set forth in Exhibit SWP-12.

Q. DOES BELLSOUTH PROVIDE ROUTE-SPECIFIC EVIDENCE THAT THE WHOLESALE TRIGGER HAS BEEN MET?

A. Yes. BellSouth does in fact provide route-specific evidence that the wholesale trigger, as described by the FCC in the TRO, is met. Wherever relief is claimed, granular evidence is presented that at least two competitive carriers who are willing to offer wholesale service are present along each route at the specific capacity level.

A carrier only counts towards the trigger on a given route if it has deployed its own facilities on that specific route and is a wholesaler. BellSouth uses data from discovery and its own internal billing and operations data to obtain granular evidence that carriers have deployed their own facilities on a route-by-route basis. Carriers are classified as wholesalers at the carrier level based on the evidence from discovery and other evidence that indicates a carrier's willingness to wholesale. This evidence is presented in summary form in Exhibit SWP-12.

As explained earlier, the classification of a carrier as a wholesaler is made at the carrier level since the willingness to sell wholesale to other carriers is part of each carrier's commercial strategy rather than a decision that is made at a granular level for each route and customer location. The wholesale trigger defined by the FCC in the TRO is consistent with this standard since it does not require the carrier to currently provide

wholesale service in the customer location, but only that it is willing to offer access to its loop facilities on a wholesale basis (e.g., see TRO, 412).

It would be bizarre for a wholesaler to selectively refuse to provide wholesale service on part of its facilities since this would create serious problems in terms of relationship with customers, marketing strategy, and even internal operations to differentiate facilities that can and cannot be offered on a wholesale basis.

All the evidence that BellSouth collected, including advertisements, public statements and industry reports, support the assumption that carriers willing to sell their own facilities on a wholesale basis do not selectively refuse to provide wholesale service on part of their facilities. Any criterion that required evidence of willingness to wholesale at the route level would be impossible to meet – carriers do not advertise wholesale service on a route-by-route basis, but rather indicate general willingness to do so.

Q. HAVE YOU IDENTIFIED ROUTES THAT MEET THE DS1 WHOLESALE FACILITIES TRIGGER? IF SO, PLEASE IDENTIFY THOSE ROUTES.

A. Yes. The routes that satisfy the wholesale trigger for DS1 transport are listed in Exhibit SWP-7. Supporting evidence is presented in Exhibits SWP-6 and SWP-8. Exhibit SWP-8 shows, by route, the carriers that have deployed transport facilities in South Carolina and the capacities the carrier is capable of providing on that route. Exhibit SWP-6 lists

carriers that are willing to offer transport services on a wholesale basis and whether the carrier has provided discovery responses to BellSouth.

Q. DO THE FACILITIES USED TO DETERMINE THE ROUTES IDENTIFIED IN EXHIBIT SWP-7 TERMINATE IN A COLLOCATION ARRANGEMENT?

A. Yes. The methodology used to identify routes that meet the trigger assures that all the facilities used in the trigger analysis terminate in collocation arrangements on both ends.

Q. HAVE YOU IDENTIFIED ROUTES THAT MEET THE DS3 SELF-PROVISIONING TRIGGER? IF SO, PLEASE IDENTIFY THOSE ROUTES.

A. Yes. The routes that satisfy the self-provisioning trigger for DS3 transport are listed in Exhibit SWP-9. Supporting evidence is presented in Exhibit SWP-8, as described above.

Q. DO THE FACILITIES USED TO DETERMINE THAT THE ROUTES IDENTIFIED IN EXHIBIT SWP-9 TERMINATE IN A COLLOCATION ARRANGEMENT?

A. Yes. The methodology used to identify routes that meet the trigger assures that all the facilities used in the trigger analysis terminate in collocation arrangements on both ends.

Q. HAVE YOU IDENTIFIED ROUTES THAT MEET THE DS3 WHOLESALE FACILITIES TRIGGER? IF SO, PLEASE IDENTIFY THOSE ROUTES.

A. Yes. The routes that satisfy the wholesale trigger for DS3 transport are listed in Exhibit SWP-9. Supporting evidence is presented in Exhibits SWP-6 and SWP-8, as described above.

Q. DO THE FACILITIES USED TO DETERMINE THAT THE ROUTES IDENTIFIED IN EXHIBIT SWP-9 TERMINATE IN A COLLOCATION ARRANGEMENT?

A. Yes. The methodology used to identify routes that meet the trigger assures that all the facilities used in the trigger analysis terminate in collocation arrangements on both ends.

Q. HAVE YOU IDENTIFIED ROUTES THAT MEET THE DARK FIBER SELF-PROVISIONING TRIGGER? IF SO, PLEASE IDENTIFY THOSE ROUTES.

A. Yes. The routes that satisfy the self-provisioning trigger for dark fiber transport are listed in Exhibit SWP-10. Supporting evidence is presented in Exhibit SWP-8, as described above.

Q. DO THE FACILITIES USED TO DETERMINE THAT THE ROUTES IDENTIFIED IN EXHIBIT SWP-10 TERMINATE IN A COLLOCATION ARRANGEMENT?

A. Yes. The methodology used to identify routes that meet the trigger assures that all the facilities used in the trigger analysis terminate in collocation arrangements on both ends.

Q. HAVE YOU IDENTIFIED ROUTES THAT MEET THE DARK FIBER WHOLESALE FACILITIES TRIGGER? IF SO, PLEASE IDENTIFY THOSE ROUTES.

A. Yes. The routes that satisfy the wholesale trigger for dark fiber transport are listed in Exhibit SWP-10. Supporting evidence is presented in Exhibits SWP-6 and SWP-8, as described above.

Q. DO THE FACILITIES USED TO DETERMINE THAT THE ROUTES IDENTIFIED IN EXHIBIT SWP-10 TERMINATE IN A COLLOCATION ARRANGEMENT?

A. Yes. The methodology used to identify routes that meet the trigger assures that all the facilities used in the trigger analysis terminate in collocation arrangements on both ends.

Q. DO THE PROVIDERS USED TO DETERMINE THAT THE ROUTES IDENTIFIED IN EXHIBIT SWP-10 HAVE SUFFICIENT QUANTITIES OF DARK FIBER AVAILABLE TO SATISFY DEMAND ALONG THAT ROUTE?

A. Yes. For the reasons explained above, we assume that there is enough spare fiber to wholesale unless carriers tell us otherwise through discovery. In those instances, the transport facility is not included in Exhibit SWP-10. Therefore I believe that there are sufficient quantities of dark fiber in all routes in Exhibit SWP-10 to satisfy current demand.

IV. TRANSITION

Q. FOR LOCATIONS AND ROUTES WHERE ONE OR MORE OF THE TRIGGERS IS MET, AND THERE IS THEREFORE NO IMPAIRMENT AT THOSE LOCATIONS AND ALONG THOSE ROUTES, WHAT IS THE APPROPRIATE TRANSITION PERIOD?

A. BellSouth will continue to offer loops and transport at a market rate so a transition period is unnecessary. However, if the Commission determines that a transition period is required, 90 days is reasonable.

Q. CLECS HAVE ARGUED IN OTHER FORUMS THAT A LONG TRANSITION PERIOD IS NEEDED BECAUSE CLECS HAVE ENTERED INTO CONTRACTS WITH CUSTOMERS BASED ON UNE COSTS AND COULD NOT TOLERATE "SUDDEN COST INCREASES". PLEASE ADDRESS THIS ARGUMENT.

A. First, the FCC's initiated its Triennial Review in December 2001. Consequently, all carriers have been on notice at least for the past two years that some unbundled network elements may be de-listed. Carriers have had more than sufficient time to make contingency plans for this eventuality.

Second, and more importantly, if this Commission finds that CLECs are not impaired along a route or to a customer location, such a finding means there are alternatives to UNEs available. While a carrier may take time to evaluate its options and negotiate terms with other carriers, including the ILEC, a long transition period would only delay the movement of carriers toward the goal of promoting facilities-based competition as rapidly as possible. A long transition period would also require ILECs to continue to subsidize competitors in areas in which no impairment exists. A more reasonable time frame to allow carriers to make such alternative arrangements is 90 days.

V. CONCLUSION

Q. ARE YOU SUBMITTING THE FINAL LIST OF ROUTES AND BUILDINGS WHERE YOU CLAIM THE TRIGGERS FOR DEDICATED TRANSPORT OR LOOPS, RESPECTIVELY, HAVE BEEN SATISFIED?

A. No. We reserve the right to modify the list of locations and routes based on further discovery responses from carriers.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Exhibit 1: Carriers classified as wholesalers in analysis of FCC's triggers for high-capacity loops - State of South Carolina

AT&T
DOMINION TELECOM
DUKENET COMMUNICATIONS
PROGRESS TELECOM
TIME WARNER TELECOM
XSPEDIUS

Exhibit 2: Customer locations in BellSouth territory where FCC's triggers for DS1 loops are met - State of South Carolina

Customer location			Triggers met	
Index	**Address**	**City**	**Self-provisioning**	**Wholesale**
1	176 CROGHAN SPUR	CHARLESTON	N/A	YES
2	1301 GERVAIS ST	COLUMBIA	N/A	YES
3	1401 MAIN ST	COLUMBIA	N/A	YES
4	301 N MAIN ST	GREENVILLE	N/A	YES
5	325 W MCBEE AVE	GREENVILLE	N/A	YES

Exhibit 3: Competitive carriers with high-capacity loop facilities to customer locations in BellSouth territory - State of South Carolina

Customer location			Carrier and capacities			
Index	**Address**	**City**	**Carrier**	**DS1**	**DS3**	**Dark Fiber**
1	176 CROGHAN SPUR	CHARLESTON		YES	YES	YES
1	176 CROGHAN SPUR	CHARLESTON		YES	YES	YES
2	1301 GERVAIS ST	COLUMBIA		YES	YES	YES
2	1301 GERVAIS ST	COLUMBIA		YES	YES	YES
3	1401 MAIN ST	COLUMBIA		YES	YES	YES
3	1401 MAIN ST	COLUMBIA		YES	YES	YES
3	1401 MAIN ST	COLUMBIA		YES	YES	YES
4	301 N MAIN ST	GREENVILLE		YES	YES	YES
4	301 N MAIN ST	GREENVILLE		YES	YES	YES
5	325 W MCBEE AVE	GREENVILLE		YES	YES	YES
5	325 W MCBEE AVE	GREENVILLE		YES	YES	YES
6	3820 FABER PLACE DR	NORTH CHARLESTON		YES	YES	YES
6	3820 FABER PLACE DR	NORTH CHARLESTON		YES	YES	YES

Exhibit 4: Customer locations in BellSouth territory where FCC's triggers for DS3 loops are met - State of South Carolina

Customer location			Triggers met	
Index	**Address**	**City**	**Self-provisioning**	**Wholesale**
1	176 CROGHAN SPUR	CHARLESTON	YES	YES
2	1301 GERVAIS ST	COLUMBIA	YES	YES
3	1401 MAIN ST	COLUMBIA	YES	YES
4	301 N MAIN ST	GREENVILLE	YES	YES
5	325 W MCBEE AVE	GREENVILLE	YES	YES
6	3820 FABER PLACE DR	NORTH CHARLESTON	YES	NO

Exhibit 5: Customer locations in BellSouth territory where FCC's triggers for dark fiber loops are met - State of South Carolina

Customer location			Triggers met	
Index	**Address**	**City**	**Self-provisioning**	**Wholesale**
1	176 CROGHAN SPUR	CHARLESTON	YES	N/A
2	1301 GERVAIS ST	COLUMBIA	YES	N/A
3	1401 MAIN ST	COLUMBIA	YES	N/A
4	301 N MAIN ST	GREENVILLE	YES	N/A
5	325 W MCBEE AVE	GREENVILLE	YES	N/A
6	3820 FABER PLACE DR	NORTH CHARLESTON	YES	N/A

Exhibit 6: Carriers classified as wholesalers in analysis of FCC's triggers for dedicated transport - State of South Carolina

ADELPHIA/TELCOVE
DUKENET COMMUNICATIONS
KMC TELECOM
SCANA COMMUNICATIONS
TIME WARNER TELECOM
XSPEDIUS

Exhibit 7: Interoffice routes in BellSouth territory where FCC's triggers for DS1 transport are met - State of South Carolina

Route				Triggers met	
Index	**CLLI 1**	**CLLI 2**	**LATA**	**Self-provisioning**	**Wholesale**
1	CHTNSCDT	CHTNSCNO	CHARLESTON, SC	N/A	YES
2	CHTNSCDT	CHTNSCWA	CHARLESTON, SC	N/A	YES
3	CHTNSCNO	CHTNSCWA	CHARLESTON, SC	N/A	YES
4	CLMASCAR	CLMASCSA	COLUMBIA, SC	N/A	YES
5	CLMASCAR	CLMASCSN	COLUMBIA, SC	N/A	YES
6	CLMASCSA	CLMASCSN	COLUMBIA, SC	N/A	YES
7	CLMASCSA	CLMASCSW	COLUMBIA, SC	N/A	YES
8	CLMASCSN	CLMASCSW	COLUMBIA, SC	N/A	YES
9	GNVLSCDT	GNVLSCWR	GREENVILLE, SC	N/A	YES
10	GNVLSCDT	SPBGSCMA	GREENVILLE, SC	N/A	YES
11	GNVLSCWR	SPBGSCMA	GREENVILLE, SC	N/A	YES

Exhibit 8: Competitive carriers with transport facilities on routes between BellSouth wire centers in the same LATA - State of South Carolina

Route				Carrier and capacities			
Index	**CLLI 1**	**CLLI 2**	**LATA**	**Carrier**	**DS1**	**DS3**	**Dark Fiber**
1	CHTNSCDT	CHTNSCNO	CHARLESTON, SC		YES	YES	YES
1	CHTNSCDT	CHTNSCNO	CHARLESTON, SC		YES	YES	YES
2	CHTNSCDT	CHTNSCWA	CHARLESTON, SC		YES	YES	YES
2	CHTNSCDT	CHTNSCWA	CHARLESTON, SC		YES	YES	YES
3	CHTNSCNO	CHTNSCWA	CHARLESTON, SC		YES	YES	YES
3	CHTNSCNO	CHTNSCWA	CHARLESTON, SC		YES	YES	YES
4	CLMASCAR	CLMASCSA	COLUMBIA, SC		YES	YES	YES
4	CLMASCAR	CLMASCSA	COLUMBIA, SC		YES	YES	YES
5	CLMASCAR	CLMASCSN	COLUMBIA, SC		YES	YES	YES
5	CLMASCAR	CLMASCSN	COLUMBIA, SC		YES	YES	YES
6	CLMASCSA	CLMASCSN	COLUMBIA, SC		YES	YES	YES
6	CLMASCSA	CLMASCSN	COLUMBIA, SC		YES	YES	YES
6	CLMASCSA	CLMASCSN	COLUMBIA, SC		YES	YES	YES
6	CLMASCSA	CLMASCSN	COLUMBIA, SC		YES	YES	YES
6	CLMASCSA	CLMASCSN	COLUMBIA, SC		YES	YES	YES
7	CLMASCSA	CLMASCSW	COLUMBIA, SC		YES	YES	YES
7	CLMASCSA	CLMASCSW	COLUMBIA, SC		YES	YES	YES
8	CLMASCSN	CLMASCSW	COLUMBIA, SC		YES	YES	YES
8	CLMASCSN	CLMASCSW	COLUMBIA, SC		YES	YES	YES
9	GNVLSCDT	GNVLSCWR	GREENVILLE, SC		YES	YES	YES
9	GNVLSCDT	GNVLSCWR	GREENVILLE, SC		YES	YES	YES
9	GNVLSCDT	GNVLSCWR	GREENVILLE, SC		YES	YES	YES
10	GNVLSCDT	SPBGSCMA	GREENVILLE, SC		YES	YES	YES
10	GNVLSCDT	SPBGSCMA	GREENVILLE, SC		YES	YES	YES
10	GNVLSCDT	SPBGSCMA	GREENVILLE, SC		YES	YES	YES
11	GNVLSCWR	SPBGSCMA	GREENVILLE, SC		YES	YES	YES
11	GNVLSCWR	SPBGSCMA	GREENVILLE, SC		YES	YES	YES
11	GNVLSCWR	SPBGSCMA	GREENVILLE, SC		YES	YES	YES

Exhibit 9: Interoffice routes in BellSouth territory where FCC's triggers for DS3 transport are met - State of South Carolina

Route				Triggers met	
Index	**CLLI 1**	**CLLI 2**	**LATA**	**Self-provisioning**	**Wholesale**
1	CHTNSCDT	CHTNSCNO	CHARLESTON, SC	NO	YES
2	CHTNSCDT	CHTNSCWA	CHARLESTON, SC	NO	YES
3	CHTNSCNO	CHTNSCWA	CHARLESTON, SC	NO	YES
4	CLMASCAR	CLMASCSA	COLUMBIA, SC	NO	YES
5	CLMASCAR	CLMASCSN	COLUMBIA, SC	NO	YES
6	CLMASCSA	CLMASCSN	COLUMBIA, SC	YES	YES

Exhibit 10: Interoffice routes in BellSouth territory where FCC's triggers for dark fiber transport are met - State of South Carolina

Route				Triggers met	
Index	CLLI 1	CLLI 2	LATA	Self-provisioning	Wholesale
1	CHTNSCDT	CHTNSCNO	CHARLESTON, SC	NO	YES
2	CHTNSCDT	CHTNSCWA	CHARLESTON, SC	NO	YES
3	CHTNSCNO	CHTNSCWA	CHARLESTON, SC	NO	YES
4	CLMASCSA	CLMASCSN	COLUMBIA, SC	YES	YES
5	CLMASCSA	CLMASCSW	COLUMBIA, SC	NO	YES
6	CLMASCSN	CLMASCSW	COLUMBIA, SC	NO	YES
7	GNVLSCDT	GNVLSCWR	GREENVILLE, SC	YES	YES
8	GNVLSCDT	SPBGSCMA	GREENVILLE, SC	YES	YES
9	GNVLSCWR	SPBGSCMA	GREENVILLE, SC	YES	YES

Evidence of Willingness to Wholesale Loops

Carrier	Evidence	Source
AT&T	AT&T Data Services for Service Providers: An Overview of AT&T Data Services "Whether you are providing a simple T1 local connection, OC192 (10 Gbps) wavelength service or international FR/ATM, AT&T facilities can enable you to build flexibility, high reliability, performance, and scalability into your service offerings."	<http://www.buiness.att.com/content/datasrvswhlsale_ltr.pdf>
	AT&T Wholesale Services: AT&T Service for Service Providers "AT&T Voice Services offer a flexible portfolio of local, national and international voice products and services…"	<http://www.business.att.com/default/index.jsp?pageid=wholesale_data&branchid=wholesale>
	AT&T Wholesale Services: AT&T Wholesales Services Portfolio "Your needs for connectivity are met by our comprehensive range of Voice Services, from the basics of outbound and inbound transit (including ISDN) and hubbing services up to advanced levels of carrier support for end-user calling cards, prepaid card services and collect calling. AT&T Data Services offer a flexible portfolio of local, national and international data products and services…"	<http://www.business.att.com/content/gws_sheet.pdf>
Dominion Telecom	"We are building metropolitan area networks in key cities to connect to key customer locations and carrier-neutral hotels in those cities. Dominion Telecom utilizes their metro facilities to access key carrier hotels, getting as close as possible to customer locations. This provides local access costs that yield economic solutions for you and your customers."	<http://www.dominiontel.com/services-4.jsp>

	Charleston, Greenville and Myrtle Beach are listed as "Future" on the Network Map.	<http://www.dominiontel.com/popmap.jsp>
DukeNet Communications	"Services we offer: Point to Point Local and Long Haul Connectivity …ILEC Central Office Access"	DukeNet Company Overview. <http://www.dc.duke-energy.com/content/PDF/brochure.pdf>
	Five South Carolina cities are shown as being on the Network.	<http://www.dc.duke-energy.com/content/Default.asp>
Progress/Epik	"…largest wholesale provider of broadband…It is considered a carrier's carrier"	<www.progresstelecom.com/pr_10_08_03.htm>.
	"…a leading provider of wholesale telecommunications services throughout the Eastern United States…with 8,230 route miles that include deep presence in fast growing metropolitan markets."	"Progress Telecom Celebrates Fifth Anniversary." 8 Oct. 2003.
	"Progress Telecom is a nonregulated operation of Progress Energy, providing Wholesale private line and optical wavelength capacity to carrier customers in first-, second-, and third-tier markets along the East Coast. The company has deployed 137,000 fiber miles, including 8,400 miles of SONET rings. …Progress has functioned primarily as a 'carrier's carrier'"	U.S. CLEC Competitive Analysis, 2003. IDC, June 2003.

"Choose EPIK and you can be confident in the knowledge that you'll receive an integrated suite of enlightened Optical services for metro and long-haul connectivity, including DS-3 to OC-48 and E-1 to STM-16 private line capacity and 2.5 and 10 Gpbs waves. When your customers' application needs change, you can rely on EPIK's adaptable enlighted Optical solutions to keep pace."	<http://www.epik.net/5_10.htm>
"…to form a single company focused on delivering wholesale broadband solutions…continue to provide wholesale fibre bandwidth to long distance, international and wireless carriers, ISPs, CLECs, and other strategic customers through its extensive fibre optic network and international gateways. The joint announcement quoted Ron Mudry as saying, 'The new Progress Telecom will focus on leveraging its combination of deep metro presence, second- and third-tier reach and international gateways, to provide wholesale broadband solutions thoughout the southeast and beyond.'"	"Progress Telecom + EPIK Communications to merge creating 'largest' wholesale broadband provider in the SE U.S." 5 Nov. 2003. Factiva. <www.factiva.com>.
"The merger…will create the largest wholesale provider of broadband in the Southeast…Considered a carrier's carrier, handling the bulk transmission of voice, data and video on its network for telephone companies, Internet service providers and large corporations."	"Progress Telecom to merge with Orlando Company." 6 Nov. 2003. Factiva. <www.factiva.com>.
"EPIK Communications, its carrier's carrier subsidiary based in Orlando, Florida….[w]ith an approximately 2,000 mile intra- and inter-city network"	"EPIK Communications Concentrates on Southeastern United States." The Yankee Group Research Notes: Covering the week of November 20, 2001.

	"EPIK is a regional carriers' carrier serving the southeastern United States.	"Wireless Carrier Customers Driving New Growth at EPIK." The Yankee Group Research Notes: Covering the week of December 25, 2001.
Time Warner Telecom	Carriers: "Time Warner Telecom is committed to serving the needs of carriers and service providers. Our commitment, combined robust network, means you can count on us to provide the communications solutions you need to stay competitive. Some of our services for carriers include: Dedicated High Capacity Services (DS1/DS3)."	<http://www.twtelecom.com/default.aspx?navId=33&configArgs=src=dctm;doc=0900bb3f801414b8>
	Regional Networks: "Time Warner Telecom is unique in its ownership of "on-net" local and long haul networks…. Each network is individually designed, and all are equipped to offer and support Dedicated High Capacity service levels for DS-n, OC-n and wavelength capacity."	<http://www.twtelecom.com/Documents/Resources/PDF/Marketingcollateral/2301RegNet.pdf>
	"We have over 17,000 route miles of fiber, predominantly local fiber miles. We have over 3,600 buildings on fiber net….and can deliver a range of services to those customers that compete with the incumbent regional Bell operating companies."	"Company Interview: Michael A. Rouleau, Time Warner Telecom Inc." Excerpted from The Wall Street Transcript 30 June 2003.
	"Time Warner Telecom is unique in its ownership of "on-net" local and long haul networks…. Each network is individually designed, and all are equipped to offer and support Dedicated High Capacity service levels for DS-n, OC-n and wavelength capacity."	<http://www.twtelecom.com/default.aspx?navID=33&configARGS=src=dctm;doc=0900bb3f801414b8>

	"The carrier also has a significant wholesale business….As of April 2003, the company had served customers in 44 local markets and had over 3,500 buildings on-net….over half of Time Warner Telecom's revenue came from dedicated transport services. In 2002, roughly 45% of the company's revenue came from its top 10 customers, with only WorldCom, a wholesale customer, accounting for more than 10%."	U.S. CLEC Competitive Analysis, 2003. IDC, June 2003.
	"…the company also targets long-distance carriers (IXCs), Internet service providers (ISPs), wireless communications companies, and government entities. The company provides its customers (i.e., enterprise and carrier) with a wide array of communication services, including dedicated transmission, local switched, long-distance, data, high-speed dedicated Internet access, and Ethernet services such as Native LAN and Gigabit Ethernet."	Time Warner Telecom. Current Analysis, Nov. 24, 2003. <www.currentanalysis.com>.
Xspedius	Carrier Solutions: "Xspedius Communications offers superior products and services to carrier customers in 36 markets the United States." Special Access: "Xspedius Communications Special Access is the perfect alternative for your local access networking needs. Our Special Access service provides optimal connectivity to major business districts, interexchange carrier points of presence (POPs), local serving offices (LSOs), carrier hotels and commercial end-user buildings."	<www.xspedius.com/carrier/index.shtml>
	"Special Access works off of our Metro SONET rings and can provide service between a customer location and a network service provider POP or between two service providers."	<www.xspedius.com/carrier/spacc.shtml>

	"Xspedius Fiber Group is a wholly owned subsidiary of Xspedius Communications. …Each metropolitan area network is strategically designed for optimal connectivity of major Business Districts, Local Serving Offices, Carrier Hotels, and Interexchange Carrier Points-of-Presence (POP) sites. "	<http://www.xspedius.com/about/affiliates.shtml>
	Columbia, Greenville and Spartanburg are shown on the Network Map as being cities in which Xspedius has a "metrofiber network"	<http://www.xspedius.com/images/int_network_map.pdf>

Evidence of Willingness to Wholesale Transport

Carrier	Evidence	Source
Adelphia/Telcove	"Local or intercity. TelCove can deliver the communications solution that is right for you. We are a facilities-based telecommunications provider with an 11-year history of delivering advanced, secure communications over our fiber optic network."	<http://www.telcove.com/>
DukeNet Communications	"Services we offer: Point to Point Local and Long Haul Connectivity …ILEC Central Office Access"	DukeNet Company Overview. <http://www.dc.duke-energy.com/content/PDF/brochure.pdf>
	Five South Carolina cities are shown as being on the Network.	<http://www.dc.duke-energy.com/content/Default.asp>
	"DukeNet, a wholesale fiber-based carrier offering services in the Southeast, …sells capacity primarily to long distance providers…The company offers point-to-point and long-haul connectivity at speeds including DS1, DS3, STS-1, Sts-3, OC3, OC12, OC48, and OC192, as well as ILEC central office access and collocation services."	U.S. CLEC Competitive Analysis, 2003. June 2003, IDC.

KMC Telecom	"KMC Carrier Transport Service Applications: We bring all the pieces together for you. Our advanced multi-service broadband network platform is built for the future. We layer voice services directly through our #5ESS-2000 Lucent switch and over our local SONET Ring network for greater cost-efficiency, increased reliability, better performance and products that easily accommodate technology advances. KMC Carrier Transport Service product family includes a complete line of wholesale applications."	<http://www.kmctelecom.com/advcomm/services/clearpipe.cfm>
	"Among other full-service features, KMC Telecom's collection of wholesale services includes a variety of offerings for the origination and termination of traffic in KMC Telecom cities. All services include access and transport of traffic over KMC Telecom's SONET Optical-Fiber Ring."	<http://www.kmctelecom.com/advcomm/services/clearthrough.cfm>
	Augusta, Charleston, Colombia and Spartanburg are shown as "Advanced Communication Service Areas" on the Network Map	<http://www.kmctelecom.com/maps.cfm>
	Augusta, Charleston, Colombia and Spartanburg are shown as "KMC Fiber Markets" on the Network Map. There are at least three additional Alabama cities shown as "Data Service Markets" on the map.	<http://www.kmctelecom.com/advcomm/images/map_large.jpg>
	"KMC's transport facilities are designed and used only to carry traffic between a single BellSouth central office and the KMC node….traffic is carried to and from individual collocations and the KMC node; but not from collocation to collocation."	Rebuttal Testimony of Marva Brown Johnson, p. 14, lines24-26 and p. 15, lines 14-15

SCANA Communications	"A carrier's carrier since 1985, … SCANA's customers typically include carriers, service providers, enterprise clients, and governmental agencies. SCANA Communications services include fiber-based SONET and Ethernet transport capacity, premier data center and collocation facilities, and tower services."	<http://www.scana.com/SCANA+Communications/About+Us.htm>
	High Capacity Long Haul Service: "SCANA has connectivity and a robust internal network that enable us to provide SONET-based digital bandwidth services to inter-exchange carriers, local exchange carriers, Internet Service Providers, wireless carriers and other wholesale clients." "Long Haul SONET-Based Capacity: DS1 (1.5 Mbps), DS3 (45 Mbps), OC-3 (155 Mbps), OC-12 (622 Mbps), OC-48 (2.488 Gbps) and Wavelength Services"	<http://www.scana.com/SCANA+Communications/High+Capacity+Long+Haul+Services.htm>
	Special Access Service: "The ability to cost-effectively and reliably link nationwide networks to local networks is essential to a carrier's profitable growth. SCANA offers services to help shorten the last mile." "Last Mile Service for Carriers: SCANA Communications network of metropolitan fiber and co-location with local exchange carriers can provide the competitive edge your enterprise needs to grow your customer base. SCANA also constructs and manages customer networks for CLECs, IXCs and wireless service providers."	<http://www.scana.com/SCANA+Communications/Special+Access+Services.htm>
Time Warner Telecom	Carriers: "Time Warner Telecom is committed to serving the needs of carriers and service providers. Our commitment, combined robust network, means you can count on us to provide the communications solutions you need to stay competitive. Some of our services for carriers include: Dedicated High Capacity Services (DS1/DS3)."	<http://www.twtelecom.com/default.aspx?navId=33&configArgs=src=dctm;doc=0900bb3f801414b8>

	Regional Networks: "Time Warner Telecom is unique in its ownership of "on-net" local and long haul networks…. Each network is individually designed, and all are equipped to offer and support Dedicated High Capacity service levels for DS-n, OC-n and wavelength capacity."	<http://www.twtelecom.com/Documents/Resources/PDF/Marketingcollateral/2301RegNet.pdf>
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	"…the company also targets long-distance carriers (IXCs), Internet service providers (ISPs), wireless communications companies, and government entities. The company provides its customers (i.e., enterprise and carrier) with a wide array of communication services, including dedicated transmission, local switched, long-distance, data, high-speed dedicated Internet access, and Ethernet services such as Native LAN and Gigabit Ethernet."	Time Warner Telecom. Current Analysis, Nov. 24, 2003. <www.currentanalysis.com>.
	"The carrier also has a significant wholesale business….As of April 2003, the company had served customers in 44 local markets and had over 3,500 buildings on-net….over half of Time Warner Telecom's revenue came from dedicated transport services. In 2002, roughly 45% of the company's revenue came from its top 10 customers, with only WorldCom, a wholesale customer, accounting for more than 10%."	U.S. CLEC Competitive Analysis, 2003. IDC, June 2003.

Xspedius	Carrier Solutions: "Xspedius Communications offers superior products and services to carrier customers in 36 markets the United States." Special Access: "Xspedius Communications Special Access is the perfect alternative for your local access networking needs. Our Special Access service provides optimal connectivity to major business districts, interexchange carrier points of presence (POPs), local serving offices (LSOs), carrier hotels and commercial end-user buildings."	<www.xspedius.com/carrier/index.shtml>
	"Special Access works off of our Metro SONET rings and can provide service between a customer location and a network service provider POP or between two service providers."	<www.xspedius.com/carrier/spacc.shtml>
	"Xspedius Fiber Group is a wholly owned subsidiary of Xspedius Communications. …Each metropolitan area network is strategically designed for optimal connectivity of major Business Districts, Local Serving Offices, Carrier Hotels, and Interexchange Carrier Points-of-Presence (POP) sites. "	<http://www.xspedius.com/about/affiliates.shtml>
	Columbia, Greenville and Spartanburg are shown on the Network Map as being cities in which Xspedius has a "metrofiber network"	<http://www.xspedius.com/images/int_network_map.pdf>

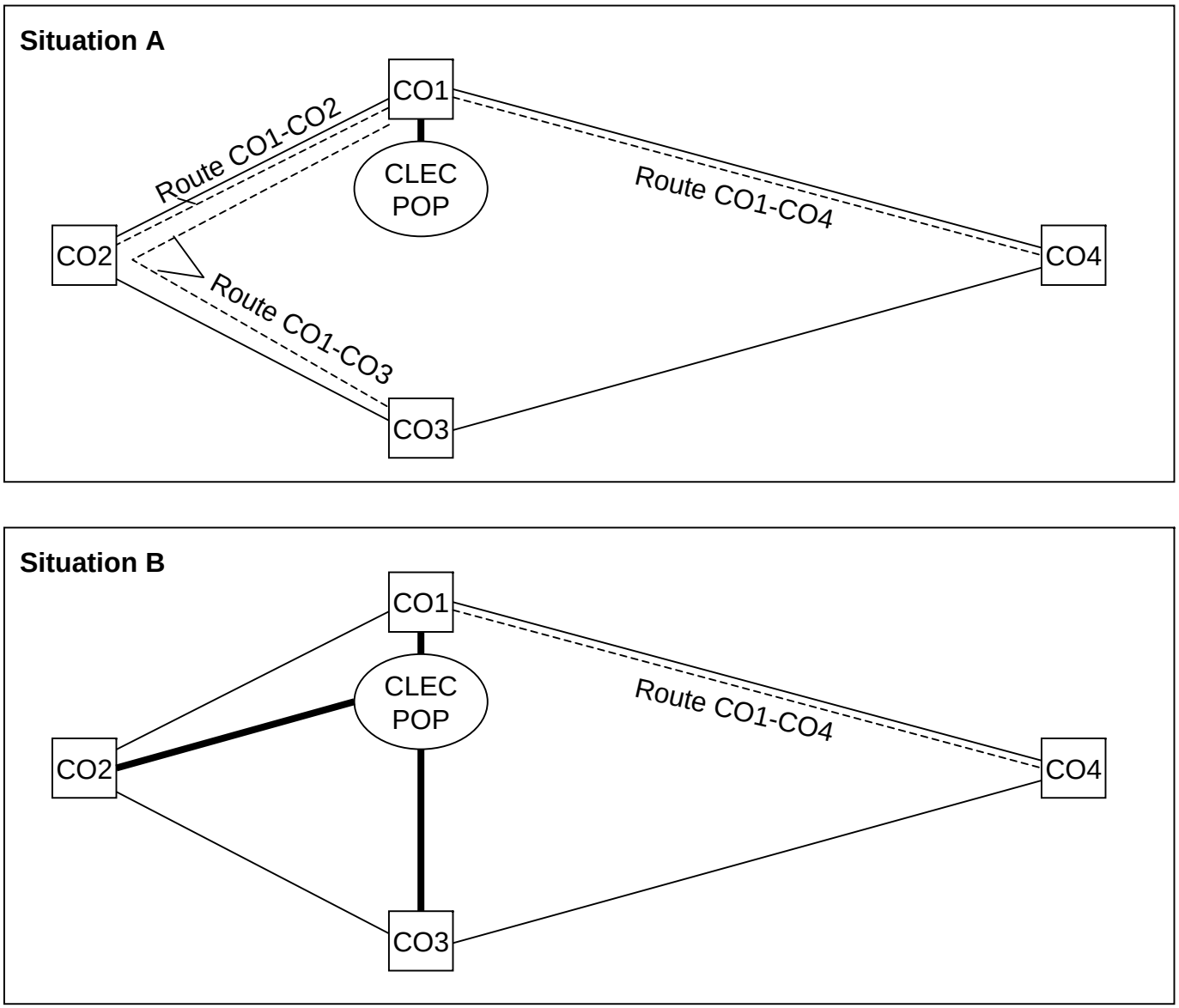
Carriers for which BellSouth Used GeoResults Data for Loops

Carrier	Discovery	Use of GeoResults data
Dominion Telecom	Served but no response yet	Only source of data on loop deployment
Progress Telecom	Served but no response yet	Only source of data on loop deployment

Carriers for which BellSouth Supplemented Carrier's Discovery Responses for Transport with BellSouth Internal Data

Carrier	Discovery	Use of BellSouth internal data
Adelphia/Telcove	Served but no response yet	Only source. Fiber-based collocations in BellSouth central offices
KMC Telecom	Served, but objected to answering requests in South Carolina. In other states, claims it does not have dedicated transport pursuant to the UNE definition	Only source. Fiber-based collocations in BellSouth central offices
Xspedius	Claims it does not have dedicated transport pursuant to the UNE definition	Only source. Fiber-based collocations in BellSouth central offices

ENTRANCE FACILITIES AS BUILDING BLOCKS AT CLEC TRANSPORT ROUTES



ILEC interoffice network

Entrance facility

Dedicated transport route purchased from ILEC

CLEC builds 2 new entrance facilities to bypass ILEC on dedicated transport routes

- CLEC deploys alternative transport facilities for routes CO1-CO2, CO1-CO3, and CO2-CO3 (not used)
- CLEC continues to purchase dedicated transport from ILEC on route CO1-CO4